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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/764,988	01/26/2004	Robert Ziegler	PAYT-26,165	6786
25883	7590	09/10/2007		
HOWISON & ARNOTT, L.L.P. P.O. BOX 741715 DALLAS, TX 75374-1715			EXAMINER PARTHASARATHY, PRAMILA	
			ART UNIT 2136	PAPER NUMBER
			NOTIFICATION DATE 09/10/2007	DELIVERY MODE ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patents@dalpat.com

## Office Action Summary

Application No.

10/764,988

Applicant(s)

ZIEGLER, ROBERT

Examiner

Pramila Parthasarathy

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 07 September 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

1. This action is in response to the communication 9/07/2004. No preliminary amendments were filed and Claims 1 – 20 are currently pending.

***Priority***

2. Applicant's claim for the benefit of a prior-filed application under 35 U.S.C. 119(e) or under 35 U.S.C. 120, 121, or 365(c) is acknowledged.

***Double Patenting***

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

3. Claims 1 – 20 rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over amended claims 1 – 35 of copending application 11/010,191. Although the conflicting claims are not

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identical, they are not patentably distinct from each other because the instant case, all elements of claims 1 – 20 correspond to the amended claims of 1 – 35 of the copending application, except in the instant claims the elements “sending terminal data to a terminal; receiving ...from said terminal; sending ...to a hardware security module; receiving ...from said hardware security module” is referred in the copending claims as “transferring information from a first device to a second device ....establishing a server connection ....entering data representing said information; transferring said data to said second device; and determining said information from said data at said second device” and “wherein said second device includes a cryptographic processor”. Copending claims recite “wherein said information is a personal identification number”, “wherein said steps of transferring are performed over an open network” and “further comprising the step of encrypting the data when the data is transferred over an open network” which encompasses the instant application claims “A method of secure PIN processing in a network transaction ....”, “further comprising the step of sending ...network”, “wherein said PIN ...an encrypted PIN” and “wherein said transaction manager is communicably connected to said transaction module by an open network”. Thus copending application claims anticipates the instant claims.

Claims of the instant application are anticipated by patent claims in that the patent claims contains all the limitations of the instant application. Claims of the instant application therefore is not patentably distinct from the earlier patent

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claims and as such are unpatentable for obvious-type double patenting (*In re Goodman (CAFC) 29 USPQ2d 2010 (12/3/1993)*).

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

4. Claims 1 – 20 rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over amended claims 18 – 39 of copending application 10/264,762. Although the conflicting claims are not identical, they are not patentably distinct from each other because the instant case, all elements of claims 1 – 20 correspond to the claims of 18 – 39 of the copending application, except in the instant claims the elements “sending terminal data to a terminal; receiving ...from said terminal; sending ...to a hardware security module; receiving a PIN ...from said hardware security module” is referred in the copending claims as “initiate a PIN authentication transaction ...transmission of representational data at the first device” and “further including an interface to an open network”. Copending claims recite “A method for providing PIN authenticated transactions ...generating on the first device the PIN from the representational data” which encompasses the instant application claims “A method of secure PIN processing in a network transaction ...”, “further comprising the step of sending ...network”, “generating a PIN ...from said hardware security module” and “wherein said transaction manager is communicably connected to said transaction module by an open network”. Thus copending application claims anticipates the instant claims.

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Claims of the instant application are anticipated by patent claims in that the patent claims contains all the limitations of the instant application. Claims of the instant application therefore is not patentably distinct from the earlier patent claims and as such are unpatentable for obvious-type double patenting (*In re Goodman (CAFC) 29 USPQ2d 2010 (12/3/1993)*).

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1 – 20 are rejected under 35 U.S.C. 102(e) as being anticipated by Routhenstein (US Patent 7,195,154).
6. As per Claims 1, 19 and 20, Routhenstein teaches “sending terminal data to a terminal; receiving corollary data generated from user input and terminal data from said terminal; sending corollary data and HSM data to a hardware security module; receiving a PIN block generated from corollary data and HSM

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data from said hardware security module” (Summary; Column 7 line 39 – Column 10 line 62).

7. As per Claim 11, Routhenstein teaches “a transaction manager; a transaction module communicably connected to said transaction manager; a hardware security module communicably connected to said transaction manager; wherein said transaction manager sends terminal data to said transaction module such that the transaction module generates corollary data using said terminal data and user input data and said transaction manager sends said corollary data and HSM data to said hardware security module, such that the hardware security module generates a PIN block using said corollary data and said HSM data” (Summary; Column 7 line 39 – Column 10 line 62).

8. As per Claims 2, 15 and 16, Routhenstein teaches “wherein said terminal data includes algorithms” (Column 7 line 39 – Column 10 line 62).

9. As per Claim 3, Routhenstein teaches “wherein said terminal data includes seed data” (Column 7 line 39 – Column 10 line 62).

10. As per Claims 4 and 14, Routhenstein teaches “wherein said user input includes cursor location data” (Column 7 line 39 – Column 10 line 62).

11. As per Claim 5, Routhenstein teaches “further comprising the step of receiving transaction data” (Column 7 line 39 – Column 10 line 62).

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**12.** As per Claim 6, Routhenstein teaches “further comprising the step of generating a transaction message using said PIN block and said transaction data” (Column 7 line 39 – Column 10 line 62).

**13.** As per Claims 7, 12, 13 and 17, Routhenstein teaches “further comprising a financial network, wherein said transaction manager sends a transaction message including said PIN block to said financial network” (Column 7 line 39 – Column 10 line 62).

**14.** As per Claim 8, Routhenstein teaches “wherein said hardware security module generates a PIN using said corollary data and said HSM data” (Column 7 line 39 – Column 10 line 62).

**15.** As per Claims 9 and 10, Routhenstein teaches “wherein said encrypted PIN is encrypted using a split-knowledge key” (Column 7 line 39 – Column 10 line 62).

**16.** As per Claim 18, Routhenstein teaches “wherein said financial network sends an authorization to said transaction manager in response to said transaction message” (Column 7 line 39 – Column 10 line 62).



***Conclusion***

Examiner's Note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. See PTO Form 892.

Applicant is urged to consider the references. However, the references should be evaluated by what they suggest to one versed in the art, rather than by their specific disclosure. If applicants are aware of any better prior art than those are cited, they are required to bring the prior art to the attention of the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Pramila Parthasarathy whose telephone number is 571-272-3866. The examiner can normally be reached on 8:00a.m. To 5:00p.m.. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Nasser Moazzami can be reached on 571-232-4195. Any inquiry of a general nature or relating to the status of this application or

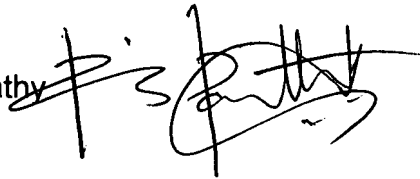
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proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR only. For more information about the PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Pramila Parthasarathy

August 29, 2007.

A handwritten signature in black ink, appearing to read 'P. Parthasarathy', written over the printed name.